

CLAUSE I-74 – LIMITATIONS ON SUBCONTRACTING (Applicable if subcontract is set-aside for small business) (August 2002)

By submission of an offer and execution of a subcontract, the Offeror/Subcontractor agrees that in performance of the subcontract in the case of a subcontract for –

- (a) Services (except construction). At least 50 percent of the cost of subcontract performance incurred for personnel shall be expended for employees of the concern.
- (b) Supplies (other than procurement from a regular dealer in such supplies). The concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.
- (c) General construction. The concern will perform at least 15 percent of the cost of the subcontract, not including the cost of materials, with its own employees.
- (d) Construction by special trade contractors. The concern will perform at least 25 percent of the cost of the subcontract, not including the cost of material, with its own employees.